

Before the  
POSTAL REGULATORY COMMISSION  
Washington, DC 20268-0001

Mail Processing Network :  
Rationalization Service : Docket No. N2012-1  
Changes, 2012 :

GREETING CARD ASSOCIATION INTERROGATORIES TO  
POSTAL SERVICE WITNESS SMITH

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, the Greeting Card Association herewith submits interrogatories and requests for production of documents; specifically:

Interrogatories to Postal Service witness Smith:

GCA/USPS-T9-1 to -4

The term "documents" includes, without limitation, letters, telegrams, memoranda, reports, studies, articles from periodicals, speeches, testimonies, books, pamphlets, tabulations, and workpapers. In terms of format, "documents" includes written or printed records and disks, tapes, or other recorded media (together with such written material as is necessary to understand and use such disks, tapes, or other media). If necessary, an interrogatory may be redirected to another witness, or to the Postal Service, in the interest of a complete and accurate response.

February 21, 2012

Respectfully submitted,

GREETING CARD ASSOCIATION

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#### GCA/USPS-T9-1

On page 4, lines 13-15, of your prefiled testimony, you state that plant and equipment capacity cannot be adjusted for various workload fluctuations as a result of automating the mail processing network.

Please confirm that, before the advent of OCRs and BCSs (including DBCS), MPLSMs could not be adjusted for workload fluctuations, so that the capital to labor ratio per machine was essentially fixed. If you do not confirm, please explain why the situation was different for MPLSMs as compared with OCRs and BCSs.

#### GCA/USPS-T9-2

(a) What percentage of the Postal Service's automation equipment is owned by USPS, and what percentage is leased? Please show the applicable percentage separately for each type of automation equipment.

(b) For any contractual leasing arrangements with automation equipment suppliers, what is the structure of the lease terms? For example, are any based on a "click rate", where the capital costs vary directly with the volume being processed? Please list and describe each applicable lease term structure.

#### GCA/USPS-T9-3

(a) For Postal Service-owned automation equipment, what percentage of the total current stock has been fully paid for?

(b) At what rate are DBCSs depreciated, and what are the remaining years and payment amounts due on equipment that has not been fully depreciated?

GCA/USPS-T9-4

(a) What is the age composition of all DBCSs?

(b) What is the cost and frequency of routine maintenance annually per machine for DBCSs (e.g. replacing belts, repairing or upgrading barcode scanners, repairing or adding software and related computer systems maintenance work, etc.)?